

8.1.3 Sector Challenge.

(a) Any Member ("Challenging Member") may request that PJM review the qualification of another Member ("Challenged Member") in the Challenging Member's sector to participate in that sector if the basis for such Challenged Member's qualifications have not been subject to a Sector Challenge review in the prior 24 months, unless there is a good faith assertion of a material change in the Challenged Member's Active and Significant Business Interests with PJM. Any five Members may request that PJM review the qualification of another Member to participate in the sector in which that Member is presently assigned.

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(b) A request pursuant to section 8.1.3(a) above, ("Challenge") shall be submitted in writing and shall describe the basis for the Challenge, which shall include, but not limited to, the reasons why the Challenged Member may not have any Active and Significant Business Interests in its present sector. ~~Except for new Members, a Challenge must be submitted within 30 days after the Annual Meeting of the Members. For new Members, a Challenge must be submitted within 30 days after the meeting in which they are introduced.~~

(c) PJM shall review the Challenge and inform the Challenged Member of the Challenge by providing a copy of the Challenge to the Challenged Member as soon as practicable, and in no case later than 10 working days after PJM receives the Challenge.

(d) The Challenged Member shall submit to PJM a list of the sectors in which it is qualified to vote and its rank order preference of those sectors. PJM may also request information from the Challenged Member to assist in determining the Active and Significant Business Interests of Challenged Member. The Challenged Member shall respond to any such request within 60 days from the date of the request, which shall be the date the request was issued by PJM.

(e) Considering the sector definitions and Active and Significant Business Interests, PJM, in its sole discretion, shall determine if the Challenged Member meets the requirements to participate in its present sector. PJM shall make this determination within the later of 30 days after receiving the information provided pursuant to section 8.1.3(d) above, or 10 days after the next scheduled meeting of the Members Committee.

(f) If the Challenged Member does not meet the requirements for its present sector, PJM shall assign the Challenged Member to the next highest preferred sector for which it is qualified in accordance with the rank order preference established by the Challenged Member pursuant to section 8.1.3(d) above.

(g) PJM shall notify the Challenged Member and Challenging Member as soon as practicable after making a determination pursuant to section 8.1.3(e) above, and shall announce the outcome of any such determination at the Members Committee meeting following PJM's decision. PJM shall disclose the identity of the Challenging Party and the Challenged Party when making the announcement.

(h) If a sector is required pursuant to section 8.1.3(e) above, it shall become effective on the date of the Members Committee meeting following PJM's decision.

(i) Until PJM rules on a Challenge, the Challenged Member shall remain in its present sector and shall be permitted to vote in that sector.